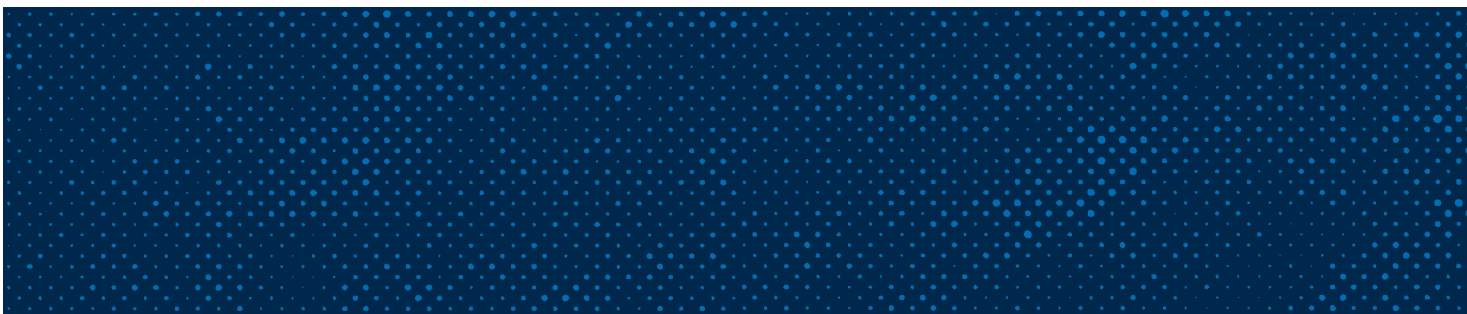


WELCOME





GET TO KNOW PAM JOHNSTON	3
WHO'S WHO	4
YOUR STEP-BY-STEP GUIDE	5
YOU'LL LOVE OUR PROCESS	6
LET'S GET STARTED	7
TAKING PREQUALIFICATION TO THE NEXT LEVEL	8
KNOW THE SCORE	9
LEARN THE LINGO	11
THE DOs & DON'Ts	13
DISCOVER THE DIFFERENCE	14
COSTS YOUR LENDER CAN & CAN'T CONTROL	15
WIRE FRAUD PREVENTION	16
MOVING CHECKLIST	18

GET TO KNOW

PAM

JOHNSTON



Pam knows how fast the mortgage industry can change. That's why she keeps up with the latest programs and guideline updates. She can find new options to help everyone from first-time homebuyers to real estate investors, plus pinpoint any issues that may affect the closing.

Quick to laugh and to make others laugh, Pam is also quick to update her clients at each step of the process. "Clear, concise, and honest communication is key," says Pam. "I always follow up on every aspect of the loan and make sure my customers know exactly what happens next from start to finish."

Born and raised in Ketchikan, Pam grew up as a logger's daughter. She started her career in the title and escrow field before moving to the lending side of the business in 2000. Outside of the office, Pam enjoys exploring the outdoors on her Harleys. She and her husband also restore classic 70s muscle cars.

PAM JOHNSTON

Mortgage Branch Manager | NMLS 1020793
Call/Text: 907.321.3881 | pjohnston@houseloan.com
houseloan.com/TeamJohnston



Cornerstone[®]
HOME LENDING

Team Johnston

YOUR STEP-BY-STEP LOAN PROCESS GUIDE

Getting a mortgage doesn't have to be complicated. At Cornerstone Home Lending, we do everything we can to make the process as effortless as possible. You can count on us to be there for you at each step - and beyond.



**HERE'S A QUICK LOOK AT WHAT YOU
CAN EXPECT FROM START TO HOME!**



*By furnishing any and/or all of the documentation, an applicant is in no way obligated to accept the terms and conditions of the mortgage offered, nor does the borrower have to provide these documents to receive a Loan Estimate. This information is meant as a guide to show the general steps of the financing transaction. Not every transaction may follow these steps due to the borrower's specific needs and the type of loan the borrower qualifies for.

YOU'LL *love* OUR PROCESS

Application Taken

STEP
1



Appraisal Ordered

STEP
2



Appraisal in Review

STEP
3



File Submitted to Underwriting

STEP
4



Conditional Loan Approval

STEP
5



Loan Documents Ordered

STEP
6



Closing Documents Sent to Escrow

STEP
7



Your Loan has Funded!

STEP
8



OUR EMAIL IN-PROCESS UPDATES WILL KEEP YOU INFORMED *every step of the way.*
YOU'LL ALWAYS KNOW YOUR LOAN STATUS AND WHAT TO EXPECT NEXT.

LET'S GET STARTED

TO HELP US BETTER SERVE YOU, PLEASE BE READY TO PROVIDE THE FOLLOWING DOCUMENTATION. YOU MAY BE ASKED FOR ADDITIONAL ITEMS DURING THE PROCESS.

BANK STATEMENTS

Showing most recent two-month history - ALL PAGES

BROKERAGE STATEMENTS

Showing most recent two-month history - ALL PAGES

RETIREMENT STATEMENTS

Showing most recent two-month history - ALL PAGES

EMPLOYMENT PAY STUBS

From the last 30 days of all jobs held by each applicant

W-2 FORMS

From the most recent two years for each wage-earner applicant

PERSONAL FEDERAL

**INCOME TAX RETURNS
(1040s)**

From the most recent two years, with all schedules, statements, and addenda (completed and signed)

**MOST RECENT
MORTGAGE STATEMENT**

For any other properties owned by the applicant

**COPY OF DRIVER'S LICENSE
FOR EACH APPLICANT**

**HOMEOWNERS
INSURANCE AGENT'S
CONTACT INFORMATION**

**UPLOAD DOCUMENTS
WITH THE GREATEST
OF EASE!**

Our free LoanFly® mortgage app helps you soar through the process. You can also access our secure Borrower Portal to upload documents and easily track your loan progress.



LoanFly.com/PamJohnston

By furnishing any and/or all of the documentation, an applicant is in no way obligated to accept the terms and conditions of the mortgage offered, nor does the borrower have to provide these documents to receive a Loan Estimate.

LOAN CHECKLIST



TAKING A PREQUALIFICATION

TO THE NEXT LEVEL!

CORNERSTONE PREUNDERWRITING ADVANTAGE

- Ability to write an offer without a loan contingency
- Closest you can get to an all-cash offer in competitive offer situations
- Shorter escrow timelines
- Full credit approval
- Ease of mind - All that's left is the property approval!
- Already approved by an underwriter

HOW TO MAKE IT HAPPEN

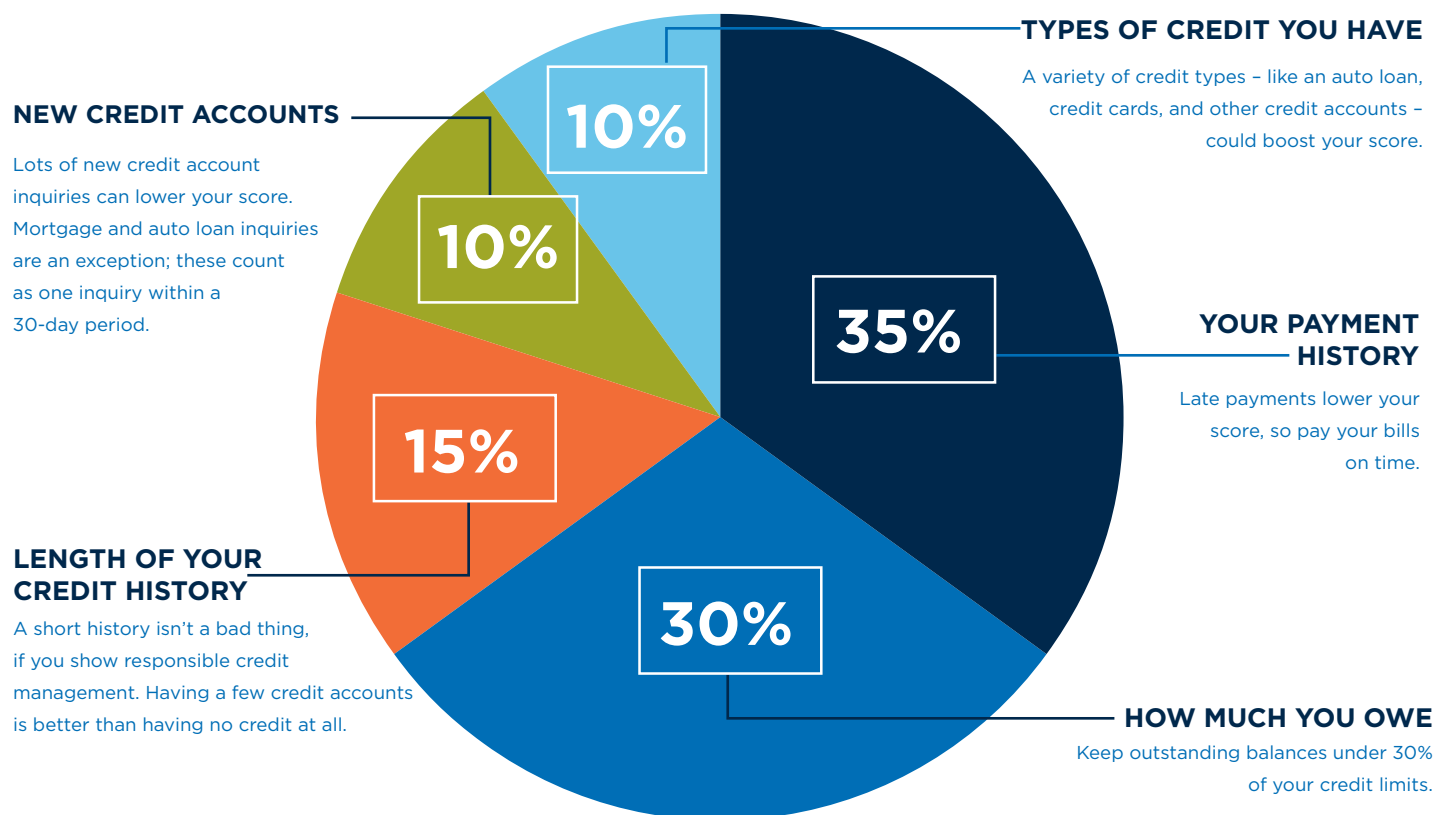
- The overall initial prequalification experience is the same in terms of the required initial documentation, credit analysis, and consultation with the loan originator.
- The magic happens once you're prequalified! We submit the loan file to our in-house processing team, and they verify employment, income, assets, and liabilities. Once processing completes a thorough analysis, the loan file is submitted to underwriting for review.
- When the loan is approved, you can make an offer without a loan contingency!
- There is no cost or obligation to get fully approved.

KNOW THE SCORE

LEARN WHAT MAKES UP YOUR CREDIT SCORE

A credit score influences your home buying potential. Credit scores range from 300 to 850, with 300 being the lowest and 850 the highest. Generally, the higher the number, the better your loan terms. **BUT JUST WHAT GOES INTO A CREDIT SCORE?**

THE 5 FACTORS OF YOUR CREDIT SCORE



SO, WHAT'S A GOOD SCORE?

Credit scores range from 300 to 850, with higher numbers being better. A score of 700 is a good indicator of financial health, and most lenders prefer scores at or above that number, but it is not required.

WHAT'S THE NEXT STEP?

OBTAIN A CREDIT REPORT. This is a free service available to you each year, so take advantage.

Visit www.AnnualCreditReport.com and request your free copy from all three credit reporting companies.

- **EQUIFAX – WWW.EQUIFAX.COM**
- **EXPERIAN – WWW.EXPERIAN.COM**
- **TRANSUNION – WWW.TRANSUNION.COM**

Beware of other companies that charge fees for credit reports, because they are often not as accurate as the three mentioned above.

CHECK FOR MISTAKES

There is no charge for checking into existing errors, so make sure there are no inaccuracies listed on your report. It is your responsibility to notify the credit bureau of any mistakes, which should be cleared up within 30 days of the report date. If you need to boost your score, here are a few tips that could make a difference to your score. While these are general tips, be sure to check with your lender before paying off large accounts and moving your money around for closing costs and the down payment.

- **MANAGE YOUR CREDIT CARD** – Keep balances to less than 30% of your limits
- **CORRECT CREDIT LIMITS** – It's important for your credit card company(s) to report your correct limit to the major credit bureaus; your report could suffer if it shows you're over the reported limit, when the limit is actually higher
- **GET CREDIT WHERE CREDIT IS DUE** – Be sure your report shows all of your credit accounts, especially the healthy ones



LEARN THE LINGO

HERE ARE COMMON **MORTGAGE TERMS** THAT ARE USED THROUGHOUT THE HOME-FINANCING PROCESS

ADJUSTABLE-RATE MORTGAGE (ARM)

ARMs tend to have an initial lower interest rate than a fixed-rate home loan. However, this rate may change over the loan term based on a set index. Payments for ARM loans can increase.

ANNUAL PERCENTAGE RATE (APR)

This is your annual cost of the loan represented as a percentage. APR allows homebuyers to compare different mortgage programs based on their annual cost.

CLOSING COSTS

These are the costs and fees that are due on the date of closing, when a borrower obtains their mortgage and receives the title to their property. Closing costs include insurance, taxes, and other applicable fees.

CLOSING DISCLOSURE (CD)

This form is a statement of final loan terms and closing costs. You must receive this form from your lender at least 3 days before your closing. You can compare this document with your Loan Estimate.

DEBT-TO-INCOME RATIO (DTI)

Lenders use this ratio to determine if a borrower can afford their monthly mortgage payment. DTI is calculated by dividing the borrower's monthly debts by their pre-tax monthly income.

DOWN PAYMENT

This is the portion of the purchase price that the buyer pays.

DOWN PAYMENT ASSISTANCE (DPA)

Programs that offer qualified borrowers financial assistance with down payment or closing costs.

FIXED-RATE MORTGAGE

With this type of mortgage, a borrower's interest rate stays "fixed" and will not change during the life of the loan.

LOAN ESTIMATE (LE)

A detailed estimate of the total costs, given to the borrower 3 days after the lender receives their application. The lender's origination fee, points, escrow, title insurance, appraisal fee, taxes, and other expenses should be included.

LOAN-TO-VALUE RATIO (LTV)

To calculate this ratio, the lender divides the mortgage amount by the purchase price or the appraised home value. LTV helps assess the lender's risk of the loan.

MORTGAGE INSURANCE PREMIUM (MIP)

To protect the lender from potential loan default, the borrower pays a premium on Federal Housing Administration (FHA) loans. There is an upfront MIP and a monthly MI (mortgage insurance) amount that the borrower must pay for the life of the loan with a down payment of 3.5% to 9.99%. For down payments of 10% or more, MIP is only paid for 11 years.

ORIGINATION FEE

This is the fee that a lender charges to prepare the documents related to a borrower's mortgage.

PRINCIPAL, INTEREST, TAXES AND INSURANCE (PITI)

The monthly mortgage payment expected from the borrower.

PRIVATE MORTGAGE INSURANCE (PMI)

The borrower is required to pay for PMI when LTV is over 80%.

RATE LOCK

This is a written commitment between you and the lender to hold a certain interest rate for a specified period of time.

DEED/TITLE

This is a document that states a real estate transaction took place and establishes the buyer as the legal and exclusive owner of the property.

TITLE INSURANCE

This type of insurance provides a real estate owner or lender with protection against any loss or damage they may experience if any claims against the title are made.

THE DOs & DON'Ts

WHEN FINANCING A HOME

THE DOs

- ✓ **LET YOUR FRIENDS AND FAMILY KNOW ABOUT OUR AWESOME SERVICE!**
- ✓ **GET A GOOD NIGHT'S SLEEP! YOU CAN COUNT ON US TO MAKE THE PROCESS AS EFFORTLESS AS POSSIBLE.**
- ✓ **CONTACT US IF YOU THINK ANY OF THESE DON'T'S ARE UNAVOIDABLE. WE CAN DETERMINE THE RIGHT COURSE OF ACTION THAT WILL HAVE THE LEAST IMPACT ON THE HOME LOAN PROCESS.**

THE DON'Ts

- ✗ **CHANGE JOBS, QUIT YOUR JOB, OR BECOME SELF-EMPLOYED**
- ✗ **BUY OR TRADE IN A VEHICLE**
- ✗ **INCREASE DEBT/BALANCES OR MISS PAYMENTS**
- ✗ **SPEND MONEY YOU HAVE SET ASIDE FOR CLOSING**
- ✗ **OMIT DEBTS OR LIABILITIES FROM YOUR LOAN APPLICATION**
- ✗ **BUY FURNITURE OR APPLIANCES, OR MAKE A NEW CREDIT APPLICATION**
- ✗ **ORIGINATE CREDIT INQUIRIES (E.G., NO NEW LOANS, CREDIT CARDS, OR LINES OF CREDIT)**
- ✗ **MAKE LARGE DEPOSITS OR TRANSFER FUNDS**
- ✗ **CHANGE BANK ACCOUNTS**
- ✗ **CO-SIGN ANY LOAN**

DISCOVER THE

DIFFERENCE

Cornerstone Home Lending is more than a mortgage company. We're a company that cares. Discover how Cornerstone is refreshingly different from other lenders!



OUR PURPOSE

We exist to make a positive difference in your life!

OUR PROGRAMS & PRODUCTS

- Purchases and Refinances
- FHA, VA, and USDA
- Conventional
- Renovation and Construction Financing
- First-Time Homebuyer Programs
- Investment Properties and Second Homes
- Extended Rate Locks

OUR PERFORMANCE

- 100% committed to your on-time closing goal
- Financially stable and secure since our 1988 founding
- Variety of home loan programs to meet your needs
- In-house processing, underwriting, closing, and funding
- Proactive, prompt communication and status updates
- Trusted guidance and support long after your loan closes

OUR CONVICTIONS

- We live and lead with honesty and integrity
- We respect and care for our people
- We go all out because we are all in
- We are wise stewards

WHICH COSTS YOUR LENDER CAN AND CAN'T CONTROL

When you're comparing lenders, it's important to know which costs lenders can change, and which ones they can't. Knowing how much control a lender has will help you identify which lenders are being honest with you about your overall costs, and will save you time and energy in the long run.

WHAT WE CAN'T CONTROL

ESCROW AND TITLE FEES

Escrow and title fees are determined by the escrow and title company. These fees are paid based on the purchase price and loan amount.

APPRAISAL

This is ordered by an appraisal coordinator and may fluctuate according to the value of the property.*

TAXES AND INSURANCE ESCROWS (AKA IMPOUNDS; MAY NOT APPLY TO ALL LOANS)

This is a monthly amount that is added to your mortgage payment to help you save for property taxes and homeowners insurance costs; the amount depends on the county and value of the property.

HOMEOWNERS ASSOCIATION (HOA) TRANSFER FEES

This is a fee from the Homeowners Association and charges can typically run from \$0 to \$500.

HOMEOWNERS ASSOCIATION (HOA) CONDO QUESTIONNAIRE

This is a fee from the Homeowners Association and can typically run from \$0 to \$300.

HAZARD/HOMEOWNERS INSURANCE

As the borrower, you will shop around for these insurance policies for your home.

PREPAID EXPENSES

These include: your first year of homeowners insurance (determined by your insurance company and paid at closing), prorated taxes adjusted based on actual closing date, and the dollar amount for taxes (for your first tax payment; see Tax Escrow above).

WHAT WE CAN CONTROL

LENDER FEES

These are the origination charges due for processing a loan.

POINTS/CREDITS

These are discount points that can be used to lower your interest rate; they are subject to change if you change the amount you are borrowing.

RESIDENTIAL MORTGAGE CREDIT REPORT

Credit reporting costs and related services can range from \$150 to \$175.

*The law dictates that lenders can only charge actual billed cost. The law dictates that a lender cannot have any influence on the value of a home. If your lender is experienced and knowledgeable with your area, they should be able to give you a rough estimate of what the appraisal will cost.



**PROTECT YOUR FINANCES.
PROTECT YOUR FAMILY.**

WIRE FRAUD LEARN THE FACTS

This scam involves deceptive electronic communications (online or over the phone) to obtain your money. **Email-based wire fraud has been on the rise in the real estate industry.**

HOW DOES IT WORK?

You get an email with what looks like wire instructions from your realtor, lender, or title company. But it's actually a scammer pretending to be your trusted contact. The email advises you of a "last-minute" change to wire your closing costs to a different account: The scammer's account. If you follow those fraudulent instructions, your bank account could be completely wiped out.

WHAT ARE THE WARNING SIGNS?

Here's how you can spot potentially fraudulent emails from actual ones sent by your title company, lender, or realtor.

- Last-minute change to wiring information, such as the beneficiary or bank account, plus requesting you confirm by email instead of over the phone
- Misspellings, incorrect grammar, and awkward sentence structures
- Getting correspondence outside of regular business hours
- Different email address for the sender – Be aware of character substitutions (like an O for a zero) and slight changes to make a fake email address look real

HOW CAN YOU AVOID WIRE FRAUD?

- **VERIFY DETAILS BEFORE TRANSFERRING FUNDS** – Call the title company using the phone number from their official website or business card. Have your bank confirm the wire transfer account number and the name on that account.
- **VERIFY AFTER TRANSFERRING FUNDS** – Immediately call the title company to make sure the funds went through.
- **MONITOR ACCOUNTS** – Let your bank know right away if there's unauthorized activity.
- **FREQUENTLY CHANGE LOGIN CREDENTIALS** – And never share online banking user IDs and passwords with anyone.
- **BE VIGILANT ABOUT SECURITY** – Stay current on operating system, web browser, and security software updates. Be cautious of attachments or links in emails. Don't email financial and other sensitive information. Never check accounts on public computers, like at a hotel business center.
- **DON'T REPLY TO EMAILS** – Instead, hit forward and then type the person's email address. Scammers often spoof email addresses from real companies. Manually typing an email address could help you quickly see if a scammer is emailing you.

WHAT SHOULD YOU DO IF YOU SUSPECT WIRE FRAUD?

- **IMMEDIATELY ASK YOUR BANK TO RECALL THE TRANSFER** – The second you suspect something, act fast because money can be wired offshore within 24 to 72 hours. You also may be able to freeze your account funds.

MOVING CHECKLIST

UP TO ONE MONTH BEFORE MOVING:

- Collect everything not to be moved and save for a garage sale or charitable donation
- Select mover and arrange for exact form of payment at destination - Be sure to check moving company policy regarding broken or damaged items; moving companies typically do not reimburse for breakage or damage to items in boxes they do not pack
- Start packing now, unless you have scheduled packing services
- Contact insurance agent to transfer/cancel insurance coverage on your old home
- Complete change of address form from post office
- Notify all magazines or other subscriptions of change of address
- Notify your doctor, dentist, veterinarian and pharmacy of your change of address
- Contact utility companies for refunds of deposit and schedule turn-off date
- Check freezer and plan use of food over next 2-3 weeks
- Pack all jewelry and other valuables in a safe place to prevent loss during move

ONE WEEK BEFORE MOVING:

- Confirm moving day details with the moving company
- Make arrangements for disconnecting appliances (ice maker, washing machine, dryer) from water and gas sources
- Schedule a cleaning service for your old and new home, or have cleaning supplies accessible upon arrival to your new house
- Cancel all newspapers, yard services, etc.
- Prune larger houseplants and re-pot plants in clay pots into unbreakable plastic containers

MOVING DAY:

- Make sure utilities are turned on in your new home; if you are moving into a pre-owned home, you can sometimes make arrangements to have the service transferred on loan closing day when you take actual possession
- Organize at least one room in the house for packers and movers to work freely
- The night before, defrost freezer and refrigerator; place charcoal inside to prevent mildew
- Notify packers/movers about fragile items (ensure these are marked "FRAGILE")
- Make a final check of the entire house (closets, shelves, attic, etc.)



PAM JOHNSTON

Mortgage Branch Manager / Senior Loan Officer | NMLS 1020793

D 907.780.1124 | **C** 907.321.3881

pam@houseloan.com

www.PamJohnston.net



Team Johnston



9105 Mendenhall Mall Road, Suite 142 | Juneau, Alaska 99801
Cornerstone Home Lending, a Division of Cornerstone Capital Bank, SSB. Member FDIC. NMLS ID# 2258
Not a commitment to lend. Borrower must meet qualification criteria.